

CONTRACT – RE:
OPERATIONAL AGREEMENT FOR
GOLDEN ACRES SUBDIVISION
WASTEWATER TREATMENT SYSTEMS

This Operational Agreement for Waste Water Treatment Systems located in the Golden Acres Subdivision, made and entered into on this 17th day of JUNE, 2004, by and between Purchase Public Service Corporation, a Kentucky corporation, of P.O. Box 5100, Mayfield, Kentucky 42066, party of the first part, hereinafter referred to as “PPSC”, and the Calvert City Board of Public Utility Commissioners, known as “CCWS”, party of the second part, hereinafter referred to as “CCWS”.

:WITNESSETH:

WHEREAS, PPSC is presently the operator of the Wastewater Treatment System for the Golden Acres Subdivision located in Marshall County, Kentucky; and

WHEREAS, PPSC and CCWS desire to enter into an Operational Agreement wherein CCWS will assume from PPSC some of the responsibilities for the operations of the waste water treatment facility; and

WHEREAS, CCWS is willing to assist PPSC in operating this wastewater treatment system for the consideration as set forth in this document

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, said parties hereby agree as follows:

(1) TERM:



- a. This Operational Agreement shall be effective on July 1, 2004, and shall continue on a month to month basis thereafter.
- b. Either **PPSC** or **CCWS** may cancel this Operational Agreement on thirty (30) days written notice to the other.

(2) COMPENSATION TO CCWS:

- a. **PPSC** shall pay to **CCWS** \$6,660.00 per year divided into 12 equal payments of \$555.00 each to compensate **CCWS** for the performance of its duties set forth in Section 3, with the exception of section 3(e).

(3) RESPONSIBILITIES OF CCWS

- a. **CCWS** shall assume responsibility for the daily operations of the wastewater treatment system for the Golden Acres Subdivision.
- b. Provide all tools and equipment necessary for the operations of said systems including, but not limited to, chemicals for disinfection.
- c. Perform planned preventive maintenance as deemed necessary by **CCWS** and pre-approved by **PPSC**.
- d. Conduct minor (four hours or less) emergency repairs as necessary. This will include one line stop-ups and one mechanical failure per year. In the event there are collection system repairs that require extensive excavation, there will be paid an additional fee based on **CCWS'S** actual cost.
- e. **PPSC** will pay for all parts necessary for repairs.
- f. **CCWS** will bill **PPSC** for their actual costs for emergency calls beyond the two instances (one line stop-ups and one mechanical failure) referred to above. An emergency call will be considered as a service call performed outside of regular



working hours (Monday-Friday – 7:00 a.m. to 5:30 p.m.) and on **CCWS** holidays.

CCWS'S compensation for these emergency calls shall be in addition to the compensation set forth in 2(a) above.

- g. Will inform **PPSC** of expected expenditures that are to exceed \$1,000.00 before performing the work or tasks necessary to incur the expenditures.
- h. Pull samples and take sample to approved lab in accordance with KPDES permit.
- i. Notify the Kentucky Division of Water in writing of the transfer of management of the plant referred to above to a **CCWS** operator.
- j. Notify the Kentucky Division of Water of any sanitary sewer non-compliance such as a by-pass.
- k. Prepare, sign and submit to the Kentucky Division of Water discharge monitoring reports required of contract operators.
- l. Conduct visual inspections of tap-ons when a new customer connects to the system.
- m. Mow or spray the properties as needed.
- n. Accompany **PPSC** representatives on its annual inspection of **PPSC's** Marshall County facility.
- o. Permit **PPSC** to establish a replacement reserve for equipment and materials of \$1,000.00 a year out of the funds received from the system for future operations of the systems subject to this agreement.
- p. Submit monthly bills to **PPSC** at the address listed above by the 10th day of the month following the occurrence of an expenditure.



q. Expenses submitted should be broken into planned and emergency expenditures for Public Service Commission reporting purposes.

r. Attaching to the monthly statements the call report.

(4) PPSC RESPONSIBILITIES/OBLICATIONS:

a. Continue to bill customers of the system referred to herein and to collect payment.

b. Serve as contact agency for customers of the system. If contacted in the event of an emergency, PPSC will refer the emergency call to CCWS.

c. Maintain payables and receivable ledgers for the system.

d. Pay lab for analysis. (BOD, TSS, NH₄N, fecal coliform)

e. Pay for system insurance.

f. Pay electricity and water use.

g. Pay for equipment repair/replacement.

h. Notify KPDES branch of changes and see that forms are sent to CCWS at the address listed above and to the attention of Kevin Murphy.

i. Generate reports for Public Service Commission.

j. Sign DMRs as owner.

k. Provide monthly revenue and expense reports to CCWS. After the first six months of operations, if both parties agree, to change the monthly reports to quarterly reports.

l. Maintain insurance of all types and kinds on the facility covered by this agreement.

(5) MISCELLANEOUS:



- a. **PPSC** and **CCWS** will review the terms of this Contract annually to determine if there are additions or deletions to be made.
- b. All current management agreements regarding the system referred to above are to be terminated.

(6) SUCCESSION:

This Operational Agreement shall be binding upon the parties, their respective successors and assigns forever.

(7) INTERPRETATION:

- a. In the event this Agreement has to be interpreted by any Court, it shall be interpreted by a Court of competent jurisdiction in Graves County or Marshall County, Kentucky.
- b. The Courts of Graves County or Marshall County, Kentucky, are the proper venues for any dispute regarding this Agreement.

(8) ENTIRE AGREEMENT:

- a. This Agreement contains the entire agreement between the parties concerning the operation of the wastewater treatment facility referred to herein and any amendments or modifications thereto shall be executed in like formality.

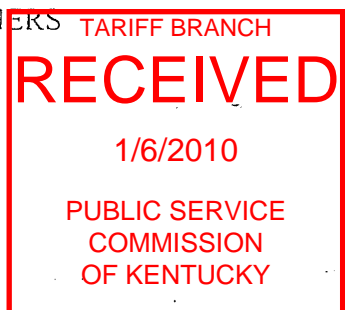
IN WITNESS WHEREOF, the parties have hereunto set their hands this the day and date first above written.

PPSC

CCWS

**PURCHASE PUBLIC SERVICE
CORPRATION**

**CALVERT CITY BOARD OF
PUBLIC UTILITY COMMISSIONERS**



By: Henry Hodges
Henry Hodges
Executive Director

By: Kevin L. Murphy
Kevin L. Murphy
General Manager

STATE OF KENTUCKY

COUNTY OF GRAVES

Subscribed, sworn to, and verified before me by HENRY HODGES, Executive Director of **PURCHASE PUBLIC SERVICE CORPORATION**, to be his free act and deed as Executive Director of the Corporation and to be the free act and deed of the Corporation, on this the 16th day of June, 2004.

Sheila Rogers
Notary Public State-at-Large

My Comm. Expires:

3/8/06

STATE OF KENTUCKY

COUNTY OF MARSHALL

Subscribed, sworn to, and verified before me by KEVIN L. MURPHY, General Manager of **CALVERT CITY BOARD OF PUBLIC UTILITY COMMISSIONERS**, to be his free act and deed as General Manager of the Agency and to be the free act and deed of the Corporation, on this the 17 day of June, 2004.

Patsy Outland
Notary Public State-at-Large

My Comm. Expires:

06-04-05

